

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY, CALIFORNIA  
AND RECORD OF ACTION**

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May 4, 2004

**FROM:**           **DAVID H. SLAUGHTER**, Director  
Real Estate Services Department

**J. WILLIAM INGRAHAM**, Director  
Department of Airports

**SUBJECT:**       **LEASE AGREEMENT WITH STATE OF CALIFORNIA**

**RECOMMENDATION:** Approve a thirty-year lease agreement with the State of California (State) for a 14,984 square foot law enforcement aviation center (Center) to be constructed at the Apple Valley Airport to house the California Highway Patrol (CHP) from April 1, 2005 through March 31, 2035 for revenue in the amount of \$2,149,200. (Four votes required)

**BACKGROUND INFORMATION:** On July 28, 1998, the Board approved a contract for services with Associated Engineers for the design of a facility and related improvements at the Apple Valley Airport. The contract was awarded as a result of a verbal commitment from the CHP to lease the facilities upon completion to be used in support of their aviation activities in the area. At that time, the Sheriff also indicated a need for the same type of facilities and the design was to include the Sheriff's needs. On September 25, 2001, the Board approved a lease with the State for a 13,600 square foot law enforcement aviation facility at the Apple Valley Airport to be constructed at a cost not-to-exceed \$850,000 for the CHP portion. On February 25, 2002, the County received bids for the construction of the Center that exceeded the limits in the lease and budgeted construction funds. On May 7, 2002, the Board rejected all bids and the lease terminated pursuant to its terms with respect to the construction cost limitations.

In January 2003, staff from the Department of Airports and the Real Estate Services Department (RESD) met with personnel from the CHP and the State Department of General Services to propose significant changes to the Center with the specific objective to reduce the cost of construction and the lease cost to the CHP. The changes include combining the separate CHP and Sheriff facilities into a single building, modifying the location of the building to reduce infrastructure costs, installing standard size hangar doors and eliminating a helicopter landing pad. The proposal was acceptable to the State and on March 11, 2003, the Board approved an amendment to Associated Engineer's contract to redesign the Center.

During the time the Center was being redesigned, the CHP increased its facility requirements by adding an additional hangar bay to the Center. The addition of the hangar bay has been included in the final design and the project is ready to be advertised for bids. Staff has negotiated a new lease agreement with the State. The terms and conditions are basically the same as those in the agreement approved by the Board on September 25, 2001. The changes include elimination of the requirement for the Center's building plans to be reviewed by the State Architect for compliance with the essential service design requirements and an increase in the construction cost limitation for the CHP facilities from \$850,000 to \$1,032,000. The increase is due to the construction of the additional hangar bay.

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The lease terms are summarized as follows:

Lessee:	State of California for CHP	
Location:	Apple Valley Airport	
Size:	14,984 square feet of hangar and office space	
Term:	30 years commencing April 1, 2005	
Options:	None	
Revenue:	<u>Monthly</u> \$5,970*	<u>Annual</u> \$71,640
	*amount necessary to recover the County's cost to construct the facility amortized at 6%	
Annual increase:	None	
Improvements:	County to construct the facilities at a cost not to exceed \$1,032,000. In the event bids for the construction of the facilities exceeds \$1,032,000, rental terms shall be renegotiated, subject to approval by both parties, or the lease may be terminated	
Use:	Aviation operation related to the CHP	
Security deposit:	None	
Maintenance:	The State is responsible for utilities and building maintenance; County is responsible for maintenance of the common areas and the infrastructure improvements	
Termination:	County may terminate upon default by tenant; State may terminate at any time effective on or after March 31, 2025, by giving written notice to the County at least 90 days prior to the date when such termination shall be effective.	

**REVIEW AND APPROVAL BY OTHERS:** This item has been reviewed by County Counsel (Fiona Luke, Deputy County Counsel, 387-5455) on March 16, 2004 and the County Administrative Office [Daniel R. Kopp (387-4811) and Tom Forster (387-4635), Administrative Analysts] on April 27, 2004.

**FINANCIAL IMPACT:** The total revenue for this thirty-year agreement will be \$2,149,200. Revenue to be received in 2004-05 will be \$17,910.

**COST REDUCTION REVIEW:** The County Administrative Office has reviewed this agenda item, concurs with the department's and RESD's proposal, and recommends this action based on the need to continue to generate revenue at the County airport located in Apple Valley.

**SUPERVISORIAL DISTRICT:** First

**PRESENTER:** David H. Slaughter, Director, 387-7813

SM: 387-7905

bas: 387-7832